

**STRATEGIC FUND AGENCY**  
**P.A. 517 of 2002**

FULL-TIME EQUATED (FTE) POSITIONS/ FUNDING SOURCE	FY 2001-02 YEAR-TO-DATE	FY 2002-03 GOV'S REC.	FY 2002-03 YEAR-TO-DATE	CHANGES FROM FY 2001-02 YEAR-TO-DATE	
				AMOUNT	PERCENT
FTE Positions .....	234.0	231.5	231.5	(2.5)	(1.1)
<b>GROSS .....</b>	<b>169,490,600</b>	<b>155,037,400</b>	<b>153,656,500</b>	<b>(15,834,100)</b>	<b>(9.3)</b>
Less:					
Interdepartmental Grants Received .....	100,000	100,900	100,900	900	0.9
<b>ADJUSTED GROSS .....</b>	<b>169,390,600</b>	<b>154,936,500</b>	<b>153,555,600</b>	<b>(15,835,000)</b>	<b>(9.3)</b>
Less:					
Federal Funds .....	63,334,400	62,953,300	62,953,300	(381,100)	(0.6)
Local and Private .....	850,000	853,100	853,100	3,100	0.4
<b>TOTAL STATE SPENDING .....</b>	<b>105,206,200</b>	<b>91,130,100</b>	<b>89,749,200</b>	<b>(15,457,000)</b>	<b>(14.7)</b>
Less:					
Other State Restricted Funds .....	45,050,000	45,050,000	45,050,000	0	0.0
<b>GENERAL FUND/GENERAL PURPOSE ..</b>	<b>60,156,200</b>	<b>46,080,100</b>	<b>44,699,200</b>	<b>(15,457,000)</b>	<b>(25.7)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>21,000,000</b>	<b>9,009,400</b>	<b>9,009,400</b>	<b>(11,990,600)</b>	<b>(57.1)</b>

**FY 2002-03  
Change from  
FY 2001-02  
Year-to-Date**

**A. ECONOMIC DEVELOPMENT JOB TRAINING GRANTS**

Gross (13,000,000)  
GF/GP (13,000,000)

**1. Timing of Grant Awards**

The budget includes a reduction in funding for this program, with language specifying that the grants for job training are to be awarded in the first two quarters of the State fiscal year. Economic Development Job Training (EDJT) grants for Rapid Response, the Michigan Growth Capital Fund, and the proposed university research grant matching funds (discussed below) may be awarded at any time. Total funding for EDJT is \$13,548,000 in FY 2002-03.

**2. Allocation for University Research Grant Matching Funds**

The budget includes a new eligible use of EDJT funds. The Michigan Economic Development Corporation may allocate \$1,000,000 from EDJT funds for the current year to a university for use as matching funds for university Federal research grants.

**B. MICHIGAN GROWTH CAPITAL FUND**

The budget permits an allocation from the Michigan Growth Capital Fund to provide a match for university Federal research grants. All of these funds were previously appropriated and are set aside in a work project.

**C. CAPITAL ACCESS PROGRAM**

Gross (1,000,000)  
GF/GP (1,000,000)

The budget removes funding for this program, which provides funding to banks to facilitate the financing of small businesses to promote entrepreneurship in Michigan. Before FY 2001-02, the program had been funded with Indian casino revenues and was cut by the Board of the Michigan Economic Development Corporation. This budget had included boilerplate that would have appropriated any balance in the Core Communities work project account for this purpose, but the Governor vetoed that language. The expected balance in that account is approximately \$900,000.

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**D. BUDGETARY & EARLY RETIREMENT SAVINGS**

Gross (1,356,000)  
GF/GP (1,356,000)

The budget contains a new appropriation unit that includes the total reductions that will be taken for both early retirement and an overall General Fund 1% cut. The negative adjustments will be taken from specific line items through the legislative transfer process.

**E. STAFF REDUCTIONS**

FTE (2.5)  
Gross (234,500)  
GF/GP (234,500)

The budget reduces staffing by 2.5 FTEs and \$234,500 to fund employee-related economic adjustments.

**F. ECONOMIC ADJUSTMENTS**

Gross 222,800  
IDG 900  
Federal 18,900  
Private 3,100  
GF/GP 199,900

Standard adjustments are applied to all budgets. The following adjustments are made:

Item	Gross	GF/GP
Salaries and Wages	\$274,200	\$250,700
Retirement	75,200	68,600
Building Occupancy	(34,600)	(34,600)
Remove Lump Sum Adjustment	(92,000)	(84,800)
Total	\$222,800	\$199,900

**G. OTHER ISSUES**

Gross (441,400)  
Federal (400,000)  
GF/GP (41,400)

The budget removes \$41,400 for 1997 early retirement sick leave payouts and adjusts the Federal Community Development Block Grant funding by \$400,000 to reflect anticipated levels.

**FY 2002-03  
Change from  
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**H. VETOES**

Gross	(25,000)
GF/GP	(25,000)

The Governor vetoed boilerplate language that set aside \$25,000 of the \$7,000,000 appropriated for Michigan Promotion Funding. The \$25,000 had been allocated to promote tourism in the northeast region of the State, which has been negatively affected by the bovine tuberculosis problem.